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FILED
LOS ANGELES SUPERIOR COURT

FEB 16 2010

JOHN A. CLARKE, CLERK
BY *[Signature]* DEPUTY

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

PRECISION DEVELOPMENT, LLC, et al.,

Plaintiff(s),

vs.

YURI PLYAM, et al.,

Defendant(s).

YURI PLYAM and NATALIA PLYAM,

Cross-Complainants,

vs.

PRECISION DEVELOPMENT LLC,
CASTLE ASSET MANAGEMENT, LLC.,
FRANK R PARLATO, JR., JIM DEL
NEGRO, and DOES 1-100, inclusive,

Cross-Defendant(s).

Case No. BC384285

**DECLARATION OF BARBARA J.
BOUCHEY IN SUPPORT OF MOTION
FOR LEAVE TO FILE A THIRD
AMENDED CROSS COMPLAINT AND
IN OPPOSITION TO IN LIMINE
MOTIONS**

BY FAX

Hearing Date: Feb. 19, 2010
March 1, 2010

Hearing Time: 8:30

Dept. No.: 17

Hearing Judge: Hon. Richard E. Rico

TRIAL DATE: March 9, 2010

DECLARATION OF BARBARA JOYCE BOUCHEY

Barbara Joyce Bouchey declares:

1. My name is Barbara Joyce Bouchey. I am above the age of eighteen and am not a party to this action. I provide this declaration based on my first-hand knowledge and if called upon to do so I could and would so testify in open court.
2. I am a Certified Financial Planner licensed by the State of New York where I both live and conduct my financial planning practice.
3. I am a former member of the group called NXIVM, the leader of which is an individual named Keith Raniere. I was a member of that group from March 27, 2000 through May 2009.
4. While a member of NXIVM, I became one of Mr. Raniere's girlfriends and a high-ranking member. This meant that I was privy to many private meetings that the leadership of NXIVM conducted. The leadership included, but was not necessarily limited to, Mr. Raniere whom everyone called "Vanguard," Nancy Salzman, whom everyone called "Prefect," Kristin Keefe who while not a lawyer interfaced on Mr. Raniere's behalf with lawyers, myself and others.
5. While I was a NXIVM member, in approximately 2003, I observed Sara Bronfman and Clare Bronfman come to an Executive Success Program workshop, which is a primary method by which Raniere and NXIVM recruit new group members. The Bronfmans became NXIVM members.
6. Subsequently Mr. Raniere suggested and referred the Bronfman sisters to me as clients and attended our initial meetings. Thus, from approximately December 2004 through May 2009, I was the Bronfman sisters' financial planner. Increasingly over time, I, and my staff including Becky Freeman, Dazzle Eckblad, Matt McMorris,

Michelle Tarzia and Lisa Pritchard handled certain of the Bronfmans day-to-day financial affairs, as well as some financial planning of a longer range variety.

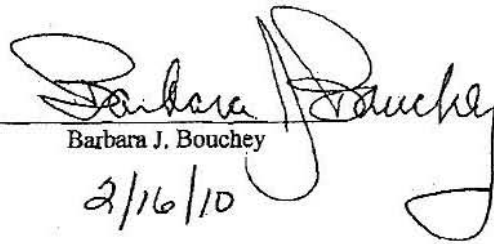
7. On or about July or August 2009, Latham and Watkins caused me to be served with a subpoena duces tecum whereby I was ordered to produce all documents, including emails, which refer or in any way relate to Precision Development, Castle Asset Management, Castle Trading, Clare Bronfman, Sara Bronfman, Nancy Salzman, Yuri Plyam, Natalia Plyam, Mikhail Plyam and First Principles, among other things. A true and correct copy thereof is attached hereto and incorporated herein as Exhibit 1. Defense counsel Ford Greene caused a copy of my production to be made and shipped to him.
8. During the time Bronfman sisters were my clients, based upon the documents that I was compelled to produce, and as I testified in my deposition herein, I became aware that they had access to funds that amounted to \$100 million between them.
9. As reflected by the documents that my office has been required to produce, and which my office generated in the ordinary course of business, among the duties that my office handled were large wire transfers from each of the Bronfman sisters' accounts to accounts for the benefit of Keith Raniere and Nancy Salzman by means of "loans" which Keith Raniere and Nancy Salzman requested. While they were booked as "loans," repayment rarely, if ever, occurred.
10. As reflected by the documents that my office has been required to produce, which my office generated in the ordinary course of business, and as I testified in my deposition herein, from 2005 to 2007 Raniere and Salzman requested "loans" which the Bronfmans approved. As further reflected by the documents that my office has been required to produce, which my office generated in the ordinary course of business, and as I testified in my deposition, after the Bronfman sisters approved

each loan request, as instructed, my office facilitated the transfer of what ultimately totaled \$65,570,000 of the Bronfman sisters' money to the account of First Principle, Inc, the owner of which on paper is Keith Raniere's partner, Nancy Salzman. The First Principle, Inc., account was the account that Mr. Raniere used for commodities trading. From 2005 to 2007, the Bronfman sisters' "loans" were then used by Raniere and Salzman to cover losses Raniere incurred as the result of placing trades with respect to futures and options in commodities.

11. Having been one of his girlfriends in NXIVM, a leader of the group and the Bronfmans' financial planner, I observed Mr. Raniere unable to stop trading commodities irrespective of the losses he incurred and irrespective of the promises he frequently made that "it would all come back."
12. Additionally, as reflected by the documents that my office has been required to produce, and which my office generated in the ordinary course of business, from 2005 to 2007 Mr. Raniere organized the transfer of Bronfman-owned funds to Precision Development in the amount of \$26,430,00.
13. Additionally, as reflected by the documents that my office has been required to produce, and which my office generated in the ordinary course of business, during the same time period of 2005 to 2007, the Bronfmans directed the transfer of \$6,041,765 to NXIVM's Executive Success Program.
14. Attached hereto as Exhibit 2 is a true and correct copy of documentation that my office produced in response to Exhibit 1 and which was generated in the ordinary course of business as the Bronfmans' financial planner, which shows the detail for the above stated final figures.
15. Attached hereto as Exhibit 3, which is submitted under seal, is a true and correct copy of documentation that my office produced in response to Exhibit 1 and which

1 was generated in the ordinary course of business as the Bronfmans' financial
2 planner, is a true and correct copy of an email chain from Kristin Keefe dated March
3 4, 2008 regarding Frank Parlato and his successful ploy to wrest control of Precision
4 Development from Yuri Plyam by employing a "certain illusion of authority."

5 Under penalty of perjury and pursuant to the laws of the State of California, I hereby
6 declare that the foregoing is true and correct and that this declaration is executed on February
7 16, 2010 at Waterford, New York.

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10 Barbara J. Bouchey
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